

17th October, 2018

BSE Limited Corporate Relationship Department, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001. BSE Scrip Code: 532756	National Stock Exchange of India Limited Corporate Relationship Department, Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. NSE Scrip Code: MAHINDCIE
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Subject: Investor Presentation on Q3 CY18 Results with updated information

Reference: Our letter dated 16th October 2018

Dear Sir/ Madam,

We refer to our letter dated 16th October, 2018 whereby we had submitted the Investor Presentation on Q3 CY18 Results.

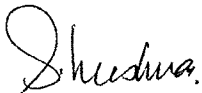
We have updated the said presentation with additional information to provide further clarity. There is no change in numbers included as a part of said presentation.

We are submitting herewith the Investor Presentation on Q3 CY18 Results with updated information

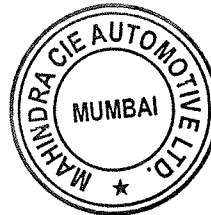
Kindly acknowledge the receipt of the same and take the same on record.

Thanking you,

Yours faithfully,
For Mahindra CIE Automotive Limited



Krishnan Shankar
Company Secretary & Head - Legal
Membership No.: F 3482



Investor Presentation

Q3 CY18 Results

Mahindra CIE Automotive Limited

16th October 2018 | Mumbai



Mahindra CIE

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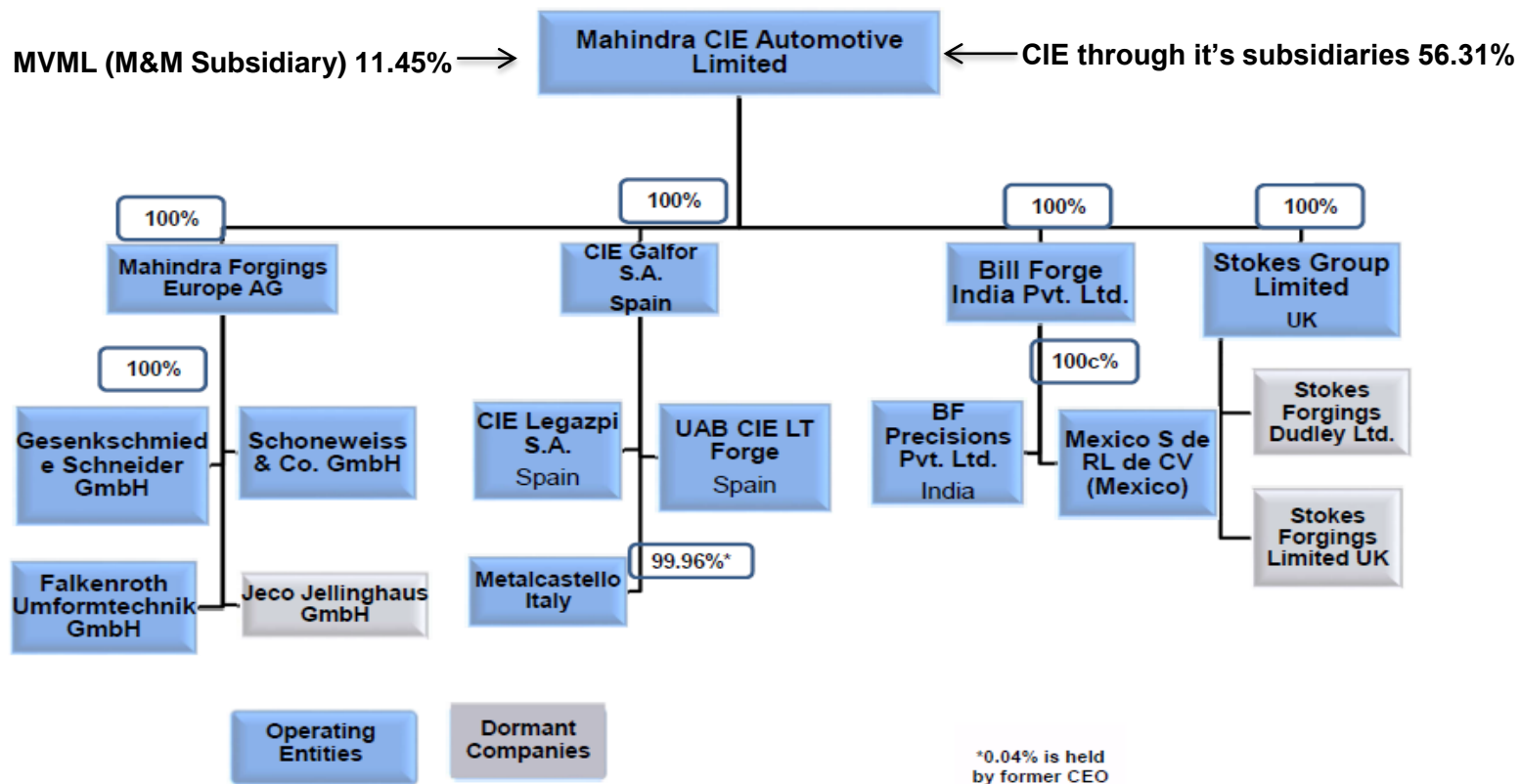
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MCIE Overview

Legal Structure



KEY UPDATE

- The Board of Directors have agreed with the proposed closure of Stokes within a period of next two years. During the period the Company will evaluate the feasibility and profitability of shifting some of the long term projects to India (BillForge/ Forgings, Chakan)
- The Company had already provided for impairment of all the investments it has in Stokes and its goodwill is fully impaired in previous years

MCIE India

Q3 CY2018 Results

Financial Update

(INR Mio)	Jul-Sep 2018	Change	Jul-Sep 2017	Apr-Jun 2018
Sales (without Excise)	8,153	+20%	6,821	8,024
EBITDA (*)	1,240	+26%	984	1,256
EBITDA%	15.2%		14.4%	15.7%
EBIT (*)	934	+37%	683	957
EBIT %	11.5%		10.0%	11.9%
EBT	1,006	+49%	675	842
EBT%	12.3%		9.9%	10.5%

(*) EBITDA: Net Operating Income + Depreciation , EBIT: Net Operating Income.

Market Update (Production)

	Jul-Sep 2018 v/s Jul-Sep 2017	Jul-Sep 2018 v/s Apr-Jun 2018
PV	4.3%	7.4%
UV	2.1%	-0.7%
LCV	33.9%	5.2%
MHCV	39.1%	6.3%
Two Wheelers	9.6%	6.4%
Tractors	13.5%	4.3%
Key Customers(#)	11.7%	3.6%

M&M, Maruti and Tata Motors combined constitute more than 50% of MCIE India business, includes production for which the segments considered are: M&M includes PV+UV+LCV+Tractors but excludes two wheelers and 3Wheelers, while for Tata Motors it includes PV+UV+LCV but excludes MHCV and Maruti includes PV+LCV. The growth of MCIE's customers weighted as per their share of business in MCIE India for Jul-Sep 2018 growth is 9.1% and sequential is 1.5%

As per International classification the segment defined as <6T is equivalent to the Indian segment PV+UV+LCV. The growth rate for <6T for Jul-Sep quarter as compared to previous year is 7% and sequential quarters is 5.2%

- Significant Sales Growth in all divisions, Excellent trend in operative EBITDA
- EBT for Jul-Sep 2018 quarter is higher by INR 90 million due to forex gains in Bill Forge Mexico. There was a loss of INR 47 Million in Apr-Jun quarter due to forex.

MCIE India

9M CY2018 Results

Market Update (Production)

Financial Update

(INR Mio)	Jan-Sep 2018	Change	Jan-Sep 2017
Sales (without Excise)	23,934	+23%	19,411
EBITDA (*)	3,671	+39%	2,649
EBITDA%	15.3%		13.6%
EBIT (*)	2,766	+57%	1,766
EBIT %	11.6%		9.1%
EBT	2,815	+60%	1,755
EBT%	11.8%		9.0%

(*) EBITDA: Net Operating Income + Depreciation, EBIT: EBT + financial results.

	Jan-Sep 2018 v/s Jan-Sep 2017
PV	3.5%
UV	15.1%
LCV	38.6%
MHCV	46.4%
Two Wheelers	16.5%
Tractors	20.0%
Key Customers(#)	15.2%

M&M, Maruti and Tata Motors combined constitute more than 50% of MCIE India business, includes production for which the segments considered are: M&M includes PV+UV+LCV+Tractors but excludes two wheelers and 3Wheelers, while for Tata Motors it includes PV+UV+LCV but excludes MHCV and Maruti includes PV+LCV. The growth of MCIE's customers weighted as per their share of business in MCIE India for Jan-Sep 2018 growth is 15.4%

As per International classification the segment defined as <6T is equivalent to the Indian segment PV+UV+LCV. The growth rate for <6T for Jan-Sep as compared to previous year is 9.9%

- Significant Sales Growth in all divisions
- Continuous Margin Improvement

MCIE Europe

Q3 CY2018 Results

Financial Update

(INR Mio)	Jul-Sep 2018	Change	Jul-Sep 2017 (**)	Apr-Jun 2018 (***)
Sales (without Excise)	11,263	+26%	8,944	11,632
EBITDA (*)	1,369	+22%	1,119	1,653
EBITDA%	12.2%		12.5%	14.2%
EBIT (*)	984	+28%	772	1,216
EBIT %	8.7%		8.6%	10.5%
EBT	850	+29%	676	1,102
EBT%	7.5%		7.6%	9.5%

(*) EBITDA: Net Operating Income + Depreciation. EBIT: EBT + financial results.

Stokes has been moved to 'discontinued operations' and accordingly the previous period figures have been restated

(**) 3Q-2017 numbers are excluding Stokes Sales 210 mio; EBITDA 8 mio; EBIT -ve 4 mio; EBT -ve 13 mio

(***) 2Q-2018 numbers are excluding Stokes Sales 184 mio; EBITDA 0 mio; EBIT -ve 8 mio; EBT -ve 18 mio

Note

1.Exchange Rates considered for Jul-Sep 2018, Jul-Sep 2017 and Apr-Jun 2018 are 81.19, 71.01 and 79.94 INR/Euro respectively

- Positive exchange rate impact of +10% in sales vs Q3 2017
- Stock reduction due to August holiday impact has affected the EBITDA%

Market Update (Production)

(EU 27)	Jul-Sep 2018 v/s Jul-Sep 2017	Jul-Sep 2018 v/s Apr-Jun 2018
Passenger Vehicles	-3.8%	-21.7%

PV market of Europe including Eastern Europe has grown by -5.3% in Jul-Sep 2018 v/s previous quarter and by -22.3% between Apr-Jun 2018 and Jul-Sep 2018.

Commercial Vehicle production data is not available on a quarterly basis, however MHCV registration numbers show 3.9% growth for the first half of CY2018 compared to previous year

MCIE Europe

9M CY2018 Results

Financial Update

(INR Mio)	Jan-Sep 2018	Change	Jan-Sep 2017
Sales (without Excise)	34,085	+29%	26,450
EBITDA (*)	4,479	+29%	3,465
EBITDA%	13.1%		13.1%
EBIT (*)	3,254	+37%	2,373
EBIT %	9.5%		9.0%
EBT	2,894	+41%	2,072
EBT%	8.5%		7.8%

Market Update (Production)

	Jan-Sep 2018 v/s Jan-Sep 2017
Passenger Vehicles	0.28%

PV market of Europe including Eastern Europe has grown by 0.01% in Jan-Sep 2018 v/s Jan-Sep 2017.

Commercial Vehicle production data is not available on a quarterly basis, however MHCV registration numbers show 3.9% growth for the first half of CY2018 compared to previous year

(*) EBITDA: Net Operating Income + Depreciation, EBIT: EBT + financial results.

Stokes has been moved to 'discontinued operations' and accordingly the previous period figures have been restated

(**) Jan-Sep 2017 numbers are excluding Stokes Sales 688 mio; EBITDA 30 mio; EBIT -ve 8 mio; EBT -ve 34 mio

Note

1. Exchange Rates considered for Jan-Sep 2018 and Jan-Sep 2017 are 80.23 and 71.24 INR/Euro respectively

- Real sales increase 15%. Exchange rate impact = 14%

MCIE Consolidated

Q3 CY2018 Results

	Jul-Sep 2018	Change	Jul-Sep 2017 (**)	Jan-Sep 2018 (***)
Sales (without Excise)	19,326	+23%	15,692	19,547
EBITDA (*)	2,610	+25%	2,093	2,909
EBITDA%	13.5%		13.3%	14.9%
EBIT (*)	1,918	+33%	1,440	2,173
EBIT %	9.9%		9.2%	11.1%
EBT	1,856	+39%	1,347	1,944
EBT%	9.6%		8.6%	9.9%

(*) EBITDA: Net Operating Income + Depreciation, EBIT: EBT + financial results.

Stokes has been moved to 'discontinued operations' and accordingly the previous period figures have been restated.

(**) 3Q-2017 numbers are excluding Stokes Sales 210 mio; EBITDA 8 mio; EBIT -ve 4 mio; EBT -ve 13 mio

(***) 2Q-2018 numbers are excluding Stokes Sales 184 mio; EBITDA 0 mio; EBIT -ve 8 mio; EBT -ve 18 mio

Note

1.Exchange Rates considered for Jul-Sep 2018, Jul-Sep 2017 and Apr-Jun 2018 are 81.19, 71.01 and 79.94 INR/Euro respectively

- Sales growth due to organic growth in all divisions.
- Operative margins improving

MCIE Consolidated

9M CY2018 Results

(INR Mio)	Jan-Sep 2018	Change	Jan-Sep 2017 (**)
Sales (without Excise)	57,753	+26%	45,674
EBITDA (*)	8,150	+34%	6,073
EBITDA%	14.1%		13.3%
EBIT (*)	6,020	+47%	4,084
EBIT %	10.4%		8.9%
EBT	5,709	+52%	3,771
EBT%	9.9%		8.3%

(*) EBITDA: Net Operating Income + Depreciation, EBIT: EBT + financial results.

Stokes has been moved to 'discontinued operations' and accordingly the previous period figures have been restated.

(**) Jan-Sep 2017 numbers are excluding Stokes Sales 688 mio; EBITDA 30 mio; EBIT -ve 8 mio; EBT -ve 34 mio

Note

1. Exchange Rates considered for Jan-Sep 2018 and Jan-Sep 2017 are 80.23 and 71.24 INR/Euro respectively
2. Capex already done as on 30th September 2018 is INR 4215 Mio

Other Details

Q3 CY 2018 Results



(INR Mio)	INDIA			EUROPE			CONSOLIDATED		
	Q3 CY 18	Q3 CY 17	Q2 CY 18	Q3 CY 18	Q3 CY 17	Q2 CY 18	Q3 CY 18	Q3 CY 17	Q2 CY 18
Other Operating Revenue	556	374	664	352	285	394	909	652	1,058
Other Income	23	24	29	82	50	58	67	49	87

Annexure 1:

- Results Declared to SEBI

STATEMENT OF PROFIT & LOSS ACCOUNTS

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2018.

□ In Million

Part-I		STANDALONE					
		Quarter Ended			Nine Months Ended		Year Ended
		September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	December 31, 2017
Particulars		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations	6,524	6,500	5,362	19,143	15,539	20,633
II	Other Income	42	52	31	145	92	127
III	Total Revenue (I+II)	6,566	6,551	5,394	19,288	15,631	20,760
IV	Expenses						
	a) Cost of materials consumed	3,685	3,681	2,762	10,784	7,763	10,522
	b) Changes in stock of finished goods, work-in process	(60)	(94)	95	(227)	19	(126)
	c) Employee benefit expense	727	719	668	2,120	1,800	2,425
	d) Finance costs	10	8	27	25	82	98
	e) Depreciation and amortisation expenses	186	184	203	558	556	759
	f) Excise Duty on Sales	-	-	-	-	1,027	1,027
	g) Other expenses	1,370	1,378	1,251	4,107	3,462	4,838
	Total Expenses (IV)	5,917	5,876	5,005	17,367	14,710	19,543
V	Profit before exceptional items and tax (III-IV)	649	675	389	1,921	921	1,217

STATEMENT OF PROFIT & LOSS ACCOUNTS.. CONT

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2018.

□ In Million

Part-I		STANDALONE					
		Quarter Ended			Nine Months Ended		Year Ended
		September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	December 31, 2017
Particulars		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
V	Profit before exceptional items and tax (III-IV)	649	675	389	1,921	921	1,217
VI	Exceptional item (Refer Note 6)	-	-	-	-	-	69
VII	Profit before tax (V-VI)	649	675	389	1,921	921	1,148
VIII	Tax expense						
	1) Current tax	223	229	150	642	349	532
	2) Deferred tax	1	7	(6)	29	(15)	(77)
	Total tax expense (VIII)	224	237	144	671	334	455
IX	Profit after tax (VII-VIII)	426	439	245	1,250	588	693

STATEMENT OF PROFIT & LOSS ACCOUNTS.. CONT.

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2018.

□ In Million

		STANDALONE					
Part-I		Quarter Ended			Nine Months Ended		Year Ended
Particulars		September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	December 31, 2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
X	Other Comprehensive income						
	i) Items that will not be reclassified to profit or loss	-	-	-	-	-	(7)
	ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	3
	Total Other Comprehensive Income	-	-	-	-	-	(5)
XI	Total comprehensive income for the period (IX+X)	426	439	245	1,250	588	688
	Earnings per equity share face value □ 10 each						
	1) Basic	1.12	1.16	0.65	3.30	1.55	1.83
	2) Diluted	1.12	1.16	0.65	3.30	1.55	1.83

MCIE SEBI RESULT NOTES

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2018.

Notes:

- 1 The statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IndAS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
- 2 The Company has investment of Rs. 6,974.25 million in Mahindra Forgings Europe AG (MFE AG), Germany. After the significant decline in demand due to economic downturn in Europe and some onetime costs due to one plant closure, MFE AG results got impacted in 2015 and 2016. Actions initiated by the management team have shown significant improvement in results for 2017 and 2018. In view of this and the expected improvements, the Company is of the view that, there is no diminution in the Company's investments in MFE AG. The auditors while taking note of the actions initiated by the management, have mentioned this as a "Matter of Emphasis" in their report.
- 3 Pursuant to the Order of Hon'ble National Company Law Tribunal, Mumbai, dated December 13, 2017, four of the Company's subsidiaries, namely, Mahindra Forgings International Limited (MFIL), Mahindra Forgings Global Limited (MFGL), Mahindra Gears & Transmission Private Limited (MGTPPL) and Crest Geartech Private Limited (Crest Geartech) ("Transferor Companies") merged with the Company with effect from July 1, 2017 (being the appointed date as per the Scheme of Amalgamation). Consequently, the Company has accounted for the merger with effect from July 1, 2017 and the results of quarter and nine months ended September 2017 includes the impact of this merger from the said date. Hence, the results for the nine months ended Sept 30, 2018 are not comparable with those of the nine months ended Sept 30, 2017.

MCIE SEBI RESULT NOTES – Continued

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2018.

Notes:

4 The Board of Directors (in their meeting held on September 25, 2018) have approved the following restructuring plan within the Group subject to obtaining requisite statutory approvals:

(i) Merger of Bill Forge Private Limited (the wholly owned subsidiary) with the Company.

(ii) Transfer of investment in Mahindra Forgings Europe AG (wholly owned subsidiary) to CIE Galfor S.A. (wholly owned subsidiary).

5 Revenue from Operations for nine months ended Sept 30, 2017 and year ended December 31, 2017 includes excise duty which is discontinued w.e.f July 1, 2017 upon implementation of Goods and Services Tax (GST) in India. In accordance with Ind AS 18, Revenue, GST is not included in Revenue from Operations. In view of the aforesaid restructuring of Indirect taxes, Revenue from Operations for the nine months ended Sept 30, 2018 are not comparable.

□ In Million

Particulars	Standalone					
	Quarter Ended			Nine Months ended		Year ended
	Sep-18	Jun-18	Sep-17	Sep-18	Sep-17	December 31, 2017 (Audited)
Revenue from Operations	6,524	6,500	5,362	19,143	15,539	20,633
Less: Excise duty	-	-	-	-	1,027	1,027
Revenue from Operations (Net of Excise duty)	6,524	6,500	5,362	19,143	14,512	19,606

MCIE SEBI RESULT NOTES – Continued

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2018.

Notes:

- 6 The exceptional item pertains to Voluntary Retirement Schemes.
- 7 The Company manufactures automotive components and is of the view that it constitutes a single business segment in accordance with IndAS 108 “Operating Segments” notified pursuant to Companies (Accounting Standard) Rules, 2015.
- 8 The above results have been subjected to Limited Review by the auditors of the Company in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on Oct 16, 2018.
- 9 Previous period figures have been regrouped / reclassified, wherever necessary to conform to the current years classification.

For and on behalf of the Board of Directors,

Place : Mumbai

Date : October 16, 2018

Executive Director

Annexure 2: Market Overview and Outlook

India Market: Key Segments Update - Quarterly

Demand Improving

Market - Production Numbers

Period	PV's + UV's		CV's		Tractors		Two Wheelers	
	Units	Δ%	Units	Δ%	Units	Δ%	Units	Δ%
9M C18	3,177,353	6.4	850,999	41.6	672,032	20.0	19,326,406	16.5
Q3 C18	1,078,952	3.7	291,806	28.3	246,135	13.5	6,874,426	9.6
Q2 C18	1,025,460	10.2	271,925	67.7	236,079	18.8	6,462,185	14.6
Q1 C18	1,072,941	5.6	291,806	28.3	189,818	31.3	5,989,795	28.0

Source: SIAM, TMA

* Δ % - means comparison of Quarter volumes of this financial year with that of the same quarter of the previous financial year. E.g. Q2 C18 Volume is compared to Q2 C17 volume respectively.

Market Outlook - India

- **PVs+ UVs:**

“CRISIL Research expects the domestic passenger vehicle industry is expected to grow at 9-11% on-year in fiscal 2019 on a high base.” ... CRISIL Research report

- **LCVs:**

“CRISIL Research expects LCV goods sales to grow at ~22% on-year in fiscal 2019 aided by higher replacement demand supplemented by improved private consumption.” ... CRISIL Research report

- **MHCVs:**

“CRISIL Research expects sales of medium and heavy commercial vehicles (MHCV) in 2018-19 are expected to grow ~16% over a high base” ... CRISIL Research report

- **Tractors:**

“CRISIL Research expects domestic tractor sales volumes to continue its growth momentum from previous year, and increase by 12-14% in fiscal 2019,” ... CRISIL Research report

- **Two Wheelers:**

“CRISIL Research projects the two-wheeler industry to grow by 10-12% in fiscal 2019 assuming normal monsoons, improved affordability, and positive rural sentiment. Further improvement in government spending is likely to boost demand in the second half of fiscal 2019, pushing demand upwards by 1-3%.” ... CRISIL Research report

Europe Market Update - Quarterly

Market picking up



Market - Production Numbers Passenger Vehicles (Mn Units)

Period	C16	Δ%
9M CY 2018	14.13	0.3%
Q3 CY 2018	4.00	-3.8%
Q2 CY 2018	5.12	5.3%
Q1 CY 2018	5.01	-1.1%

*Δ% Change means comparison of Quarter volumes of this financial year with that of the same quarter of the previous financial year. E.g. Q2 C18 Volume is compared to Q2 C17 volume respectively.

Market Outlook - Europe

Growth returning, but gradually

- EU – Cars:
 - *IHS Global has forecasted that the Passenger Vehicle production will grow at a slow but steady pace of 0.1% CAGR between C18 to C23*
- EU - CVs:
 - *IHS Global has forecasted that the Medium and Heavy Commercial Vehicle production will grow at a steady pace of 4.6% CAGR between C18 to C21*



Thank you

Mahindra CIE